AMENDED IN SENATE APRIL 17, 2006 AMENDED IN SENATE MARCH 22, 2006

SENATE BILL

No. 1214

Introduced by Committee on Human Services (Senators Alquist (Chair), Aanestad, Chesbro, Maldonado, and Romero)

January 30, 2006

An act to amend Sections 12085, 12085, 12087, 12727, 12730, 12735, 12736, 12738, 12740, 12741, 12742, 12745, 12747, 12750, 12750.1, 12750.2, 12751, 12752.1, 12753, 12754, 12756, 12760, 12761, 12763, 12768, 12772, 12773, 12776, 12780, 12781, 12785, and 12787 of, and to add Section 12758 to, Section 12741 of the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1214, as amended, Committee on Human Services. Community services programs.

Existing law—establishes requires the Department of Community Services and Development to—perform various functions including coordinating and assisting community action agencies with respect to antipoverty—and—community—services—programs. Existing—law specifically provides that notwithstanding the law prohibiting conflicts of interests for public officers, the violation of which is punishable as a felony a member of a community development district board may vote on matters before the board that would financially benefit the member or the business or organization that the member directly represents prepare an annual state plan for the California Community Services—Block Grant Program. Upon receiving legislative certification that the plan conforms to statutory requirements, the department is required to submit the final state plan to the Secretary

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of the United States Department of Health and Human Services by September 15 of each year.

This bill would correct obsolete provisions in that law and would make other technical changes in the laws relating to the department and community action agencies.

This bill would require that the final state plan be submitted to the secretary as required by a specified federal law.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12085 of the Government Code is 2 amended to read:

12085. (a) (1) Although the economic well-being of the state has progressed to a level surpassing that of any other achieved in world history, and although these benefits are widely shared throughout the state, poverty continues to be the lot of a substantial number of citizens of the state. California can achieve its full economic and social potential as a state only if every individual has the opportunity to contribute the full extent of his or her capabilities and to participate in the workings of society. The Legislature hereby declares that it is the policy of the state to provide a range of services and activities having a measurable and potentially major impact on causes of poverty in our communities, particularly those areas of communities where poverty is an acute problem. Specifically, it is the policy of the state to assist low-income participants, including homeless individuals and families, migrants, and the elderly poor, to do all of the following:

- (A) Secure and retain meaningful employment.
- 20 (B) Attain an adequate education.
- 21 (C) Make better use of available income.
- 22 (D) Obtain and maintain adequate housing and a suitable 23 living environment.
 - (2) It is further the policy of the state to do all of the following in assisting participants:
- 26 (A) Provide emergency assistance to meet immediate and urgent individual and family needs, including the need for health

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1 services, nutritious food, housing, and employment-related 2 assistance.

- (B) Coordinate and establish linkages between governmental and other social services programs to ensure the effective delivery of those services to low-income individuals.
- (C) Encourage the use of entities in the private sector of the community in efforts to ameliorate poverty.
- (3) The Legislature finds that it is the purpose of this article to strengthen, supplement, and coordinate efforts to further these policies.
- (b) In order to employ the resources of both the public and private sectors of the state, and to effectuate the purposes of this article, there is within the California Health and Human Services Agency, a Department of Community Services and Development.
- SEC. 2. Section 12085.5 of the Government Code is amended to read:
- 12085.5. Any reference in any provision of law or regulation to the State Office of Economic Opportunity or the Department of Economic Opportunity shall be deemed to refer to the Department of Community Services and Development.
- SEC. 3. Section 12087 of the Government Code is amended to read:
- 12087. The department shall have the responsibility, and is hereby vested with all necessary powers and authority to do the following:
- (a) Recognize existing community action agencies, as originally defined by Section 2790 of Title 42 of the United States Code in the federal Economic Opportunity Act of 1964 and as superseded by Section 9902 of that title in the federal Omnibus Budget Reconciliation Act of 1981 (P. L. 97-35), and as further defined in Article 6 (commencing with Section 12750) of Chapter 9 of Division 3 of Title 2, and Indian tribes or tribal organizations, as the operators of programs to serve the poor in local communities, and, where the programs are of a statewide or multicounty nature, other limited purpose agencies may be considered as program operators.
- (b) Apply for, administer, and oversee federal block grant funds, including, but not limited to, the Community Services Block Grant and the Low-Income Home Energy Assistance

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Program, and other public and private funds designed to support antipoverty programs in the state that are not currently administered by other departments, and define and enforce programmatic performance and fiscal accountability standards for those funds.

- (c) Provide funding and technical assistance, directly or through grants or contracts, to community action agencies, Indian tribes, and other agencies that operate programs of an antipoverty nature.
- (d) Coordinate antipoverty efforts throughout the state, to the extent permissible under federal law, to avoid duplication, improve delivery of services, and relate programs to one another.
- (e) Maintain liaison with the federal Department of Health and Human Services, Office of Community Services, county and city commissions on economic opportunity, citizens' groups, and all other governmental agencies engaged in economic opportunity or community service programs, or both.
- (f) Collect and assemble pertinent information and data available from other agencies of the state and federal governments and disseminate information in the interests of community services programs in the state by publication, advertisement, conference, workshops, programs, lectures, and other means.
- (g) Plan and evaluate long-range and short-range strategies for overcoming poverty in the state.
- (h) Mobilize public and private resources in support of antipoverty and community services programs.
- (i) Encourage participation by residents of poor communities in the development and operation of community action programs for their betterment.
- (j) Advise the Governor of his or her responsibilities under the Economic Opportunity Program (Chapter 34 (commencing with Section 2701) of Title 42 of the United States Code) and the Community Services Block Grant Program (Chapter 106 (commencing with Section 9901) of Title 42 of the United States Code), as well as any other federal law enacted with respect to meeting the needs of the poor.
- (k) Measure and evaluate, directly or through grants or contracts, the impact of this article and other poverty-related programs authorized by law, in order to determine the

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effectiveness of the programs in achieving stated goals, impact on related programs, and the structure and mechanisms for the delivery of services. All the offices under the executive branch shall cooperate and provide the necessary information to the director, upon his or her request, to achieve the purposes of this subdivision.

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- (1) Promulgate regulations and negotiate and execute contracts necessary or convenient for the exercise of its responsibilities, powers and functions, and to ensure that federal and state standards of programmatic performance and fiscal accountability are met.
- SEC. 4. Section 12727 of the Government Code is amended to read:
 - 12727. All activities of the California Community Services Block Grant Program eligible entities shall have the following basic and specific purposes:
 - (a) The basic purpose of this chapter is to stimulate an effective concentration of all available local, state, private, and federal resources upon the goal of enabling low-income families, and low-income individuals of all ages, in rural and urban areas to attain the skills, knowledge, and motivations and to secure the opportunities needed for them to become fully self-sufficient.
 - (b) The specific purposes of this chapter are to promote, as methods of achieving an effective concentration of resources on the goal of individual and family self-sufficiency, the following:
 - (1) The strengthening of community capabilities for planning and coordinating federal, state, private, and other assistance related to the elimination of poverty, so that this assistance, through the efforts of local officials, organizations, and interested and affected citizens, can be made more responsive to local needs and conditions.
 - (2) The coherent organization of a range of services related to the needs of the poor, so that these services may be made more effective and efficient in helping families and individuals to overcome poverty-related problems in a way that takes into account, and supports, their progress in overcoming identified causes of poverty.
 - (3) The implementation, subject to adequate evaluation, of new types of services and innovative approaches toward

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eliminating causes of poverty, so as to develop increasingly effective methods of employing available resources.

- (4) Maximum feasible participation of members of the groups and residents of the low-income areas to be served by programs and projects in the development and implementation of those programs and projects, in order to assure that all programs and projects are meaningful to, and widely utilized by, their intended beneficiaries.
- (5) The broadening of the resource base directed towards the elimination of poverty, so as to secure, in addition to the services and assistance of public officials, private religious, charitable, and neighborhood organizations, and individual citizens, a more active role for business, labor, and professional groups able to provide employment opportunities or otherwise influence the quantity and quality of services of concern to the poor.
- (c) It is the finding of the Legislature that these state purposes and the intent of the federal Community Services Block Grant will best be served by enacting the program policies and requirements contained in this chapter.
- SEC. 5. Section 12730 of the Government Code is amended to read:

12730. For the purposes of this chapter:

- (a) "Community Services Block Grant" refers to the federal funds and program established by the federal Community Services Block Grant Program in the Omnibus Budget Reconciliation Act of 1981 as contained in Public Law 97-35, as that law has been amended from time to time and as currently codified as Section 9901 et seq. of Title 42 of the United States Code.
- (b) "Contract" means the written document incorporating the terms and conditions under which the department agrees to provide financial assistance to an eligible entity. Upon its cosigning by authorized agents of the department and the eligible entity, and subsequent approval by the Department of General Services pursuant to Section 10295 of the Public Contract Code, a contract shall be deemed to be valid and enforceable.
- (c) "Director" means the Director of Community Services and Development.
- (d) "Delegate agency" or "subcontractor" means a private nonprofit organization or public agency that operates one or more

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projects funded under this chapter pursuant to a contractual agreement with an eligible entity.

- (e) "Department" means the Department of Community Services and Development as constituted pursuant to Article 8 (commencing with Section 12085) of Chapter 1.
- (f) "Designation" means the formal selection of a proposed community action agency by the director, as provided in Section 12750.1.
- (g) "Eligible entity" means an agency or organization as defined in Section 9902 of Title 42 of the United States Code, as amended, and may include a private nonprofit organization or public agency that operates one or more projects funded under this chapter pursuant to a contract with the department.
 - (h) "Eligible beneficiaries" means all of the following:
- (1) All individuals living in households with incomes not to exceed 125 percent of the official poverty line according to the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services as defined in Section 9902 of Title 42 of the United States Code, as amended.
- (2) All individuals eligible to receive Temporary Assistance for Needy Families under the states's plan approved under Public Law 104-193, the Personality Responsibility and Work Opportunity Reconciliation Act of 1996, and (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code) or assistance under Part A of Title IV of the Social Security Act (42 U.S.C. Sec. 601 et seq.).
- (3) Residents of a target area or members of a target group having a measurably high incidence of poverty and which is the specific focus of a project financed under this chapter.
- (i) "Financial assistance" means money provided by the department to an eligible entity, pursuant to an approved contract, in order to enable the eligible entity to accomplish its planned and approved work program.
- (j) "Political subdivision" shall generally be deemed to mean county government, with the following exceptions:
- (1) In any county which prior to October 1, 1981, had more than one designated community action agency, each unit of local government which contained a designated community action

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1 agency shall continue to operate as a "political subdivision" 2 under this chapter.

- (2) Any county having fewer than 50,000 population according to the most recent census available may be deemed by the department to be part of a larger "political subdivision" comprising two or more counties if the department determines that to do so would best serve the purposes of this chapter, and may participate in the designation process for a multicounty community action agency.
- (k) "Secretary" means the Secretary of the United States Department of Health and Human Services.
- (1) "Standards of effectiveness" are the general standards, derived from the purposes of this chapter and the assurances and certifications made by the state to the secretary in the state plan, as further stated in subdivision (g) of Section 12745 and as they may be more specifically defined in regulation, toward which all programs and projects funded under this chapter shall be directed and against which they will be assessed.
- (m) "State plan" means the plan required to be submitted to the secretary to secure California's allotment of Community Services Block Grant funds, which shall be prepared and reviewed pursuant to the requirements of this chapter.
- SEC. 6. Section 12735 of the Government Code is amended to read:
- 12735. (a) The Governor shall submit an application containing the assurances and certification required under Section 12736 to the secretary in a form as the secretary may require pursuant to Section 9908 of Title 42 of the United States Code, as amended.
- (b) Since under the terms of Section 9901 et seq. of Title 42 of the United States Code, as amended, the secretary may not prescribe the manner in which states shall comply with the provisions set forth in subdivision (a), it is the intent of the Legislature that California's manner of compliance shall be controlled in the first instance by this chapter, and further by the state plan and those regulations as may be promulgated by the department, pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), Chapter 4.5 (commencing

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with Section 11400), and Chapter 5 (commencing with Section 11500) of Division 2 of Title 3.

- 3 (e) The state administering agency for the California
 4 Community Services Block Grant Program shall be the
 5 Department of Community Services and Development.
 - SEC. 7. Section 12736 of the Government Code is amended to read:

- 12736. For the purposes of Section 12735, the application shall contain assurance and certification that the state shall comply with all of the items listed below. The application shall include information as to how each assurance will be carried out.
- (a) Conduct legislative hearings on the proposed use and distribution of Community Services Block Grant funds prior to the submission of each application.
- (b) Use Community Services Block Grant funds as provided in Section 12745.
- (c) Use not less than 90 percent of the Community Services Block Grant funds allotted to the state to make grants to eligible entities that meet the provisions of Section 9901 et seq. of Title 42 of the United States Code, as amended.
- (d) Expend not more than 5 percent of the state's allotment for administrative costs at the state level.
- (e) Assure that any community action agency or migrant and seasonal farmworker organization that received financial assistance in the previous fiscal year under this chapter shall not have its present or future financial assistance terminated pursuant to this chapter unless, after notice and opportunity for hearing on the record, the department determines that cause existed for the termination, subject to review by the secretary as provided in Sections 9908 and 9915 of Title 42 of the United States Code, as amended.
- (f) Give special consideration, as defined in Section 9909(b) of Title 42 of the United States Code, in the designation of local community action agencies to any community action agency which was receiving funds under any federal antipoverty program on the date of the enactment of federal Public Law 97-35, except that the state shall, before giving special consideration, determine that the agency involved meets program and fiscal requirements established by the state. If there is no such agency because of any change in the assistance furnished to

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programs for economically disadvantaged persons, the state shall give special consideration in the designation of community action agencies to any successor agency which is operated in 3 4 substantially the same manner as the predecessor agency which 5 did receive funds in the fiscal year preceding the fiscal year for 6 which the determination is made.

- (g) Decline to avail itself of permission to transfer Community Services Block Grant funds, not to exceed 5 percent of the state's allotment, to other specified programs.
- (h) Prohibit any political activities in accordance with Section 9918 of Title 42 of the United States Code, as amended.
- (i) Prohibit any activities to provide voters and prospective voters with transportation to the polls or provide similar assistance in connection with an election or any voter registration activity.
- (i) Prohibit the use of funds in accordance with Section 9920(c) of Title 42 of the United States Code, as amended, and as further defined in Part 87 of Title 45 of the Code of Federal Regulations, as amended.
- (k) Provide for coordination between antipoverty programs in each community, where appropriate, with emergency energy erisis intervention programs under Title XXVI of federal Public Law 97-35, as amended, (relating to low-income home energy assistance) conducted in that community.
- (1) Provide that fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursal of and accounting for federal funds paid to the state under this chapter, including procedures for monitoring the assistance provided under this chapter, and provide that at least every year the state shall prepare, in accordance with Public Law 98-502 (Single Audit Act of 1984), as amended, an audit of expenditures under this chapter of amounts received under the Community Services Block Grant and amounts transferred to earry out the purposes of the Community Services Block Grant.
- (m) Permit and cooperate with federal investigations undertaken in accordance with Public Law 97-35, as amended.
- 37 SEC. 8. Section 12738 of the Government Code is amended 38 to read:
- 39 12738. In addition to the general powers vested in the 40 Department of Community Services and Development by Section

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1 12087, the department may promulgate regulations, make grants, 2 and enter into contracts as necessary and appropriate to carry out 3 its responsibilities under this chapter.

- 4 SEC. 9. Section 12740 of the Government Code is amended to read:
 - 12740. The department shall prepare a state plan for the California Community Services Block Grant Program, as required by the secretary, which shall include all of the following:
 - (a) A statement of goals and objectives.
 - (b) Information on the types of activities to be supported, geographic areas to be served, and categories or characteristics of individuals to be served.
 - (c) The criteria and method established for the distribution of funds, including details on how the distribution of funds will be targeted on the basis of need.
 - (d) A description of how the state plan for the previous program period has met the goals, objectives and needs identified in the prior state plan through the use of funds in that program period.
 - (e) A description of the process by which the state plan has been developed, distributed and reviewed by both the general public, groups and individuals with an interest in the state's Community Services Block Grant Program, and the Legislature.
 - (f) An explanation of how critical comment was received, reviewed and either incorporated or rejected by the department prior to final submission of the state plan.
 - (g) The department's most current information regarding the projected federal Community Services Block Grant allocation to the state.
 - (h) A report of current and planned expenditures of discretionary funds.
 - SEC. 10.

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- 34 SECTION 1. Section 12741 of the Government Code is 35 amended to read:
- 36 12741. The states planning process shall include the 37 following:
- 38 (a) The state plan shall identify eligible activities and the 39 eligible entities which will conduct those activities in order to 40 meet the general goals of the California Community Services

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Block Grant Program and the specific goals of the program. The plan shall, particularly with respect to subdivision (d) of Section 12740, reflect the aggregate of community action plans in order to fairly represent the most essential characteristic of the California Community Services Block Grant Program, which is its adherence to the principle of community self-help.

- (b) The appropriate policy committee of the Assembly or the Senate, or both shall conduct one or more public hearings on the proposed use and distribution of funds provided under the California Community Services Block Grant Program. Prior to the hearing, the department shall forward to the policy committees a list of the activities it has identified as statewide priorities pursuant to subdivision (e) of Section 12745, in order to notify the Legislature and the public of the issues to be addressed by the department at each hearing. The chairs of the policy committees may request additional issues to be reported on by the department. The hearings shall be conducted in such a manner as to satisfy the legislative hearing requirement of federal Public Law 97-35, as amended, and to give the Legislature an opportunity to certify that the state plan conforms to the requirements of this chapter. At the discretion of the respective chairs, the policy committees may hold a single or joint hearing, or both to satisfy the requirements of this section.
- (c) The department shall make adjustments to the state plan as a result of public comments presented at the legislative hearing as well as written comments which are submitted to the department. The department shall identify all testimony presented by the poor, and shall state whether the concerns expressed therein have been included in the plan. If any of those concerns have not been included in the plan the department shall specify in the plan the reasons for the rejection of those concerns. Concerns shall only be rejected if there is good cause for the rejection.
- (d) The committees conducting the hearings pursuant to subdivision (b) shall determine whether the concerns of the poor have been included in the state plan, as adjusted, or rejected for good cause. Before the final state plan is submitted to the secretary, the chairs of the committees conducting hearings shall certify that the state plan conforms with the requirements of this chapter.

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(e) Upon receiving the certification required in subdivision 1 (d), the department shall submit the final state plan, as required by Section 9908 of Title 42 of the United States Code, as amended, to the secretary, and shall provide a copy to all-eligible entities grantees and state legislators no more than one week 6 thereafter. 8

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11 12 All matter omitted in this version of the bill appears in the bill as amended in the Senate, March 22, 2006 (JR11)